

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 356 - SB 864**

February 12, 2023

**SUMMARY OF BILL:** Authorizes county clerks to increase the fees for the service of handling mail orders of plates and decals in an amount not to exceed an applicable United States Postal Service price increase in a given year.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Revenue – \$211,800/FY23-24 and Subsequent Years/Permissive**

Assumptions:

- Pursuant to Tenn. Code Ann. § 55-4-105(c), county clerks are required to provide a mail order service for the renewal of motor vehicle registrations whereby registrants can apply for and receive the renewal certificates and plates or decals through the United States Postal Service.
- The proposed legislation allows county clerks to increase the fees for the service of handling mail orders of plates and decals by an amount not to exceed an applicable United States Postal Service price increase in a given year.
- In 2023, the United States Postal Service increased the price of a First-Class Mail Forever stamp by \$0.03. For the purposes of this analysis, it is assumed that county clerks will raise the fee for service of handling mail orders of decals by an amount of \$0.03, beginning in FY23-24.
- In 2023, the United States Postal Service increased the price of metered mail by \$0.03 per ounce. For the purposes of this analysis, it is assumed the average license plate weighs four ounces; therefore, it assumed that county clerks will raise the fee for service of handling mail orders of license plates by an amount of \$0.12 (\$0.03 x 4 ounces), beginning in FY23-24.
- Based on information provided by the Department of Revenue, 1,316,602 plate registrations were renewed in FY21-22 and 3,659,467 decal registrations were renewed in FY21-22. For the purposes of this analysis, these numbers are expected to remain constant in perpetuity.
- It is assumed that approximately 75 percent, or 987,452 (1,316,602 x 75%), of plates were either renewed by mail or were renewed online and delivered by mail in FY21-22.
- It is further assumed that approximately 85 percent, or 3,110,547 (3,659,467 x 85%), of decals were renewed by mail in FY21-22.

- The recurring permissive increase in local government revenue, resulting from the \$0.03 fee increase for plates, is estimated to be \$211,811 [(987,452 plates x \$0.12 fee increase) + (3,110,547 decals x \$0.03)] in FY23-24 and subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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